

SECRET

MEMORANDUM

10 January 1950

TO: Executive, CIA

THRU: Chief, SSS  
General Counsel

OGC HAS REVIEWED.

FROM: Finance Division

25X1A

SUBJ: Bond for [REDACTED]

1. The undersigned, as an Agent Cashier, has a large outstanding advance in the custody of [REDACTED] 25X1A  
[REDACTED] The currently authorized maximum amount of this advance is \$75,000.00. This revolving fund is in the custody of [REDACTED] for the purpose of paying handling, storage, and shipping costs of CIA cargoes, in accordance with a procedure which has been in effect for many years. 25X1A

25X1A 2. In addition to handling all official shipments of the Department of State, [REDACTED] handles shipments of the Smithsonian Institute. [REDACTED] 25X1A  
[REDACTED] 25X1A

3. This matter has been discussed many times with the Department of State, CIA General Counsel, and officials of CIA. Up to the present time the consensus has been that it would be desirable to bond [REDACTED] but that the cost of such bond could not be borne by the U. S. government. [REDACTED] in turn, has expressed complete willingness to provide bond, provided that he is not required to assume the cost thereof. He points out, quite correctly, that were he required to personally furnish bonds for all the funds entrusted to him that he would be put to a prohibitive expense for the performance of duties, for which he is not basically recompensed. 25X1A

4. It was intended by the undersigned to bond [REDACTED] as soon as possible after the establishment of Public Law 110. A review of the statute, however, indicates that the payment of premiums, or costs of surety bonds, is authorized only for officers or employees. Since [REDACTED] is neither an officer nor employee of CIA, but is merely an agent gratuitously performing services for and in behalf of CIA, it 25X1A

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may be that such bond premiums cannot be paid at government expense. A legal determination on this point is requested at an early date.

25X1A 5. In the event it is determined that such a bond premium for Mr. [REDACTED] cannot freely be paid under the provision of Public Law 110, inquiry is made as to whether the Director can and will authorize the payment of such bond expense under his blanket authorities.

6. In the event that neither of the preceding proposals will adequately solve this problem, it is requested that a formal review be made of the present methods of financing CIA overseas shipments, with a view toward revision of such arrangements to preclude the necessity of the cash advance or specific approval to continue the present arrangements without bond.

7. The undersigned wishes to call attention to the fact that in accordance with statutory requirements, he, as an Agent Cashier, is personally liable for the funds entrusted by him to [REDACTED] and that without specific authorization thereof does not feel he can continue to assume such liability.

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[REDACTED]

Acting Chief, Finance Division

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CENTRAL INTELLIGENCE AGENCY  
OFFICIAL ROUTING SLIP

OGC-721  
JAN 14 1950

TO		INITIALS	DATE
1	Chief, SSS 1301	gpm	1-16-50
2	Gen Counsel 226		
3	Exec 221		
4			
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FROM		INITIALS	DATE
1	Finance Div. 1601	EM	10 Jan 50
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|---|--|------------------------------------|
| <input type="checkbox"/> APPROVAL           | <input type="checkbox"/> INFORMATION               | <input type="checkbox"/> SIGNATURE |
| <input type="checkbox"/> ACTION             | <input type="checkbox"/> DIRECT REPLY              | <input type="checkbox"/> RETURN    |
| <input checked="" type="checkbox"/> COMMENT | <input type="checkbox"/> PREPARATION OF REPLY      | <input type="checkbox"/> DISPATCH  |
| <input type="checkbox"/> CONCURRENCE        | <input checked="" type="checkbox"/> RECOMMENDATION | <input type="checkbox"/> FILE      |

REMARKS: